

April 26th, 2006: Bush Energy Plan Too Little, Too Late

WASHINGTON, D.C. - If President Bush's announcement yesterday asking the federal government to investigate price gouging at the gas pump sounds familiar, that is because U.S. Rep. Nick J. Rahall (D-WV) made the same request - in March of 2004.

"While the White House turned its back on average Americans by ignoring my request in 2004 for an investigation into price gouging at the pump, Big Oil has posted record-breaking profits on the backs of hard-working Americans," declared Rahall.

In March of 2004, Rahall wrote to the Departments of Justice and Energy calling for an investigation into whether "price fixing, collusion and other types of monopolistic pricing practices by wholesale gasoline suppliers is the cause for gasoline prices to be at record or near-record levels across the country." When Rahall requested the investigation, the average price for a gallon of regular gasoline was still under two dollars.

Today, consumers are asking themselves, how did we get to this point? The lavish incentives for Big Oil that have been a cornerstone of the Republican energy strategy are one answer.

When the Republicans assumed the majority in the House of Representatives in 1995, Congress enacted royalty relief that, at the time, Rahall warned would lead to pain for consumers and profit for Big Oil. Recent reports, such as those published in the New York Times, note that the Government Accountability Office found that those incentives to drill in the Gulf of Mexico will cost taxpayers at least \$20 billion over 25 years.

"After more than a decade of Republicans in Congress catering to the oil and gas industry's bottom line, Americans cannot be fooled into thinking their wallets are out of danger. Not only will this plan not significantly bring down prices tomorrow, it will do nothing to restore the billions lost to the Treasury due to Republican-stamped giveaways for the past decade," charged Rahall.

Last April, during floor consideration of energy legislation, U.S. Rep. Raul Grijalva (D-AZ) and Rahall fought to remove a provision that would have suspended the collection of royalties from deep water drilling in the Gulf of Mexico, but Republicans struck down this effort.

"The President's announcement sounded less like a national energy plan than like a page from an election-year play book. This Administration's plan to reduce obscene oil company profits is to regulate them less. It makes as much sense as making forests healthy by cutting them down, saving Social Security by killing it, cleaning the air by allowing more pollution, or curbing spending by spending like a sailor on shore leave," stated Rahall.

Rahall continues to believe that coal-to-oil and coal liquefaction technologies can offer immediate relief to consumers as a vehicle fuel. These technologies are available but commercialization has suffered because of the oil industry's predominance in the marketplace and the lack of sufficient government incentives. The President failed to even mention the word coal in his remarks yesterday.

In fact, many Nations that are competing against the United States for worldwide fuel resources are aggressively pursuing coal gasification and liquefaction to address the energy needs of their growing economies. Countries like China, Indonesia, India, and South Africa are racing ahead in the development of plants that will reduce their dependence on oil, leaving the United States in the dust.

"As the U.S. chases larger oil supplies, we are failing to notice the flashing neon signs pointing to the potential of our most abundant domestic energy resource - coal. Liquefaction and gasification technologies are available right under our noses. They are being used with success by some of our most assertive foreign economic competitors who recognize the folly of dependence on oil and are doing something about it. It's time we did as well," declared Rahall.

Later this week, several major oil companies will release their quarterly earning reports. Last year, the 10 largest oil companies earned revenues of over \$1 trillion and had net profits of over \$100 billion.